



MINUTES

Appropriations Committee

One Hundred Thirty Second Meeting
2003 Interim
Monday, December 1, 2003

LCR 1&2
State Capitol Building
Pierre, South Dakota

The one hundred thirty second meeting of the interim Appropriations Committee was called to order by Representative J.E. "Jim" Putnam, Co-chair, at 9:03 a.m., Monday, December 1, 2003, in Legislative Conference Rooms 1&2 of the State Capitol Building in Pierre, South Dakota.

A quorum was determined with the following members answering the roll call: Senators Jerry Apa (Co-chair), H. Paul Dennert, Robert N. Duxbury, William F. Earley, Brock L. Greenfield, Mike Jaspers, Marguerite Kleven, William M. Napoli, and Duane Sutton (Vice-chair); and Representatives Stanford M. Adelstein (Vice-chair), Julie Bartling, Quinten Burg, Rebekah Craddock, Ted Klaudt, J.E. "Jim" Putnam (Co-chair), Orville B. Smidt, and Ron Williamson. Representative Mary Glenski was unable to attend.

Staff members present included Reed Holwegner, Chief Fiscal Analyst; Mark Zickrick, Principal Fiscal Analyst; Annie Mehlhaff, Principal Fiscal Analyst; Sue Cichos, Senior Fiscal Analyst; Aaron Olson, Fiscal Analyst; and Rhonda Purkapile, Senior Legislative Secretary.

A list of guests present during all or part of the meeting is on file with the master minutes.

(NOTE: For sake of continuity, the following minutes are not necessarily in chronological order. Also, all referenced documents are on file with the Master Minutes.)

Expenditure Authority Requests

The *Interim Report*, prepared by the Bureau of Finance and Management, is on file with the master minutes as **Document #1**.

Mr. Holwegner presented the committee with a memo analyzing the interim budgetary requests (**Document #2**).

Department of Public Safety Driver Licensing Program --\$196,206

Mr. Tom Dravland, Secretary, Department of Public Safety, testified that the Driver Licensing Program received a grant from the Federal Motor Carrier Safety Administration in FY2003 to enhance the Commercial Driver Licensing Program. The department chose to use those funds to implement computerized knowledge testing in the three main driver exam stations in Aberdeen, Rapid City, and Sioux Falls. The department has received an additional \$181,206 of federal funds this year and would like to expand the computerized testing to locations in Pierre, Mitchell, Watertown, Brookings, and Huron.

In response to committee questions, Secretary Dravland indicated that it takes roughly 45 percent less time to test via the computer than manually. The computer testing also allows for random questions on the test, thus making it more difficult to cheat. Secretary Dravland indicated the testing failure rate was at 20-25 percent but has now increased to 30-35 percent, due to the random questions on the tests.

Senator Apa asked if the department allows the use of matricula consular cards issued in Mexico for identification purposes in order to obtain a driver license. Secretary Dravland responded that they do not.

Secretary Dravland reported that the Driver Licensing Program is also requesting \$15,000 in additional federal fund expenditure authority to conduct covert testing of those persons or organizations who conduct skills tests of individuals applying for commercial driver licenses. He noted that the federal government is "strongly suggesting" that these covert tests take place and is providing funds for this purpose. This \$15,000 would be utilized to contract with several individuals to perform this function, rather than adding an additional FTE to the department.

In response to questions, **Ms. Cindy Gerber**, Director, Driver Licensing Program, said that there are 29 third-party testers who perform commercial driver license testing for the public. In addition, there are 11-15 testers that provide testing for large companies in-house. These tests are not open to the general public. Ms. Gerber clarified that the additional \$15,000 will be utilized for covert testing of those third-party testers that are open to the general public.

Senator Napoli asked if this covert testing could be done with current resources within the department. Ms. Gerber replied that the department does do some auditing and monitoring of testers, but this additional \$15,000 will allow the department to be more thorough. The funding will also allow the department to contract with several individuals to perform this function.

In response to committee questions, Secretary Dravland stated that there is no indication that the third-party testers are not doing a good job. He added that the federal government is recommending the covert testing.

Senator Napoli commented that the department can perform these checks currently and did not feel that this additional appropriation was necessary. He felt the bigger problem is with the private-company testers and not with the testers who test the general public.

It was moved by Senator Duxbury, seconded by Representative Burg, that the committee approve the request from the Department of Public Safety Driver Licensing Program for \$181,206 of FY2004 federal fund expenditure authority. The motion carried on a roll call vote (17-0-1). VOTING AYE: Dennert, Bartling, Duxbury, Burg, Greenfield, Cradduck, Earley, Klaudt, Kleven, Smidt, Napoli, Williamson, Sutton (Duane), Adelstein, Jaspers, Apa, Putnam. EXCUSED: Glenski.

A motion was made by Representative Adelstein, seconded by Representative Burg, that the committee approve the request from the Department of Public Safety Driver Licensing Program for \$15,000 of FY2004 federal fund expenditure authority. The motion failed on a roll call vote (5-12-1). VOTING AYE: Dennert, Duxbury, Cradduck, Earley, Adelstein. VOTING NAY: Bartling, Burg, Greenfield, Klaudt, Kleven, Smidt, Napoli, Williamson, Sutton (Duane), Jaspers, Apa, Putnam. EXCUSED: Glenski.

Emergency Medical Services Program--\$276,330

Secretary Dravland testified that the Emergency Medical Services Program has received a grant from the Health Resources and Services Administration of \$276,330 for the purchase of automated external defibrillators for rural school districts in South Dakota. This dollar amount would allow the purchase of 140 defibrillators at a cost of \$1,400 each. There will be minor costs associated with training on the devices. Because the grant specifies that the equipment be placed in rural school districts, schools in Minnehaha, Pennington, and part of Lincoln Counties will not be eligible to receive

the machines. All other schools across the state would be considered rural schools, according to the grant specifications. Distribution of the equipment will be based somewhat on need. The department is trying to ensure that the placement of these machines will be spread across the state.

In response to committee questions, Secretary Dravland indicated that schools were specified in the grant for placement of these machines because the schools are a gathering place in most communities. He added that the grant was written specifically for schools because the department was receiving requests from the schools for this equipment.

Representative Klaudt expressed his opinion that distributing defibrillators to schools would be inefficient because most functions held at schools are also attended by emergency service personnel, who usually have this equipment. Senator Apa asked if the specifics of the grant could be amended to include fire departments. He did not feel it makes sense to place these devices in buildings that are closed from 3:00 p.m. to 8:00 a.m. each day.

Senator Dennert asked if fire departments have this equipment. Secretary Dravland replied that money was utilized last year to distribute these machines to 29 fire departments across the state. He noted that some fire departments have gone ahead and purchased these units on their own. Senator Dennert then asked if emergency medical technicians should have defibrillators before schools or fire departments. Secretary Dravland replied yes, but often times there are only minutes available to save a life. Secretary Dravland added that distributions had to begin somewhere. Eventually automated defibrillators would become as prevalent as fire extinguishers.

A motion was made by Representative Cradduck, seconded by Representative Bartling, that the committee approve the request from the Department of Public Safety Emergency Medical Services Program for \$276,330 federal fund expenditure authority for FY2004. The motion carried on a roll call vote (9-8-1). VOTING AYE: Dennert, Bartling, Duxbury, Burg, Cradduck, Kleven, Sutton (Duane), Jaspers, Putnam. VOTING NAY: Greenfield, Earley, Klaudt, Smidt, Napoli, Williamson, Adelstein, Apa. EXCUSED: Glenski.

Senator Apa commented that he believed that the federal grant could be amended at the request of the department to allow defibrillators to be given to other entities such as fire departments and EMTs. Chair Putnam asked Secretary Dravland to verify if these machines had to be placed in rural schools. Secretary Dravland acknowledged that he would forward that information to the committee.

Highway Patrol--\$638,000

Secretary Dravland testified that the Highway Patrol is requesting \$638,000 of FY2004 federal fund expenditure authority to purchase mobile data terminals (MDTs), or in-car computers, docking stations, and mounting hardware for 110 patrol cars. He stated that the Department of Social Services actually received grant money to be used to stop domestic violence, and this \$638,000 is coming to the Highway Patrol from that grant to fulfill a requirement that 25 percent of the grant be utilized for law enforcement to address domestic violence.

Representative Adelstein asked if this funding can also be utilized for training of officers, as well as capital purchases. Secretary Dravland responded that he was not sure of the specifics of the grant. He noted that the Highway Patrol actually goes above and beyond in terms of training requirements for domestic violence situations. He added that domestic violence is an area of grave concern to law enforcement personnel.

Representative Burg expressed concern about complicating law enforcement officers' responsibilities by installing more IT hardware in patrol units. Secretary Dravland replied that the mounting system allowed for an acceptable arrangement.

Senator Apa asked about the cost of each unit. **Colonel Dan Mosteller**, S.D. Highway Patrol, indicated that the lap top will cost \$4,500, the mounting system will cost \$1,000, and the printer will cost \$300.

Senator Earley asked about ongoing costs of the computers. Secretary Dravland replied that the computers will be connected through the state radio system. The department would pay the normal computer maintenance rate to the Bureau of Information and Telecommunications.

It was moved by Senator Duxbury, seconded by Representative Klaudt, that the committee approve the request from the Highway Patrol for \$638,000 of FY2004 federal fund expenditure authority. The motion carried on a roll call vote (15-2-1). VOTING AYE: Dennert, Bartling, Duxbury, Burg, Greenfield, Craddock, Earley, Klaudt, Kleven, Smidt, Williamson, Sutton (Duane), Adelstein, Jaspers, Putnam. VOTING NAY: Napoli, Apa. EXCUSED: Glenski.

Chair Putnam emphasized his concern for enforcement along the state's interstate highways.

Emergency Management Program--\$3,635,000

Secretary Dravland testified that the federal FY2003 Emergency Management Performance Grant received from the Federal Emergency Management Administration (FEMA) to support emergency management functions in the state office and at the local level was \$533,000 more than it had been in past years, and the federal FY2004 grant is also at a higher level for a total increase in grant funds of \$630,000. The major portion of these funds are passed through to the local governments.

Secretary Dravland testified that \$435,000 of FY2004 federal fund expenditure authority is also being requested for the Community Emergency Response Program. The Office of Emergency Management received new grants to be used for Community Response Teams, Local Emergency Plans, and Citizen Corps totaling \$630,000, but expenditures are projected at \$435,000 for FY2004. Approximately 80 percent of these funds are passed down to local governments to assist them in preparing to respond to emergency situations.

The Homeland Security Program is requesting \$2,570,000 of FY2004 federal fund expenditure authority for the construction of communication towers, Secretary Dravland stated.

Senator Apa asked if it would be possible for the Homeland Security Program to enter into cooperative agreements with the cellular phone companies to erect towers to eliminate the no cell phone coverage areas across the state. Secretary Dravland stated that they have been in discussion with the Public Utilities Commission and the cellular telephone companies about this subject. He cautioned that the department must be careful of load capacity and interference from any equipment that might be installed on state towers that might prohibit the state radio system from working properly.

A motion was made by Senator Sutton, seconded by Senator Dennert, that the committee approve the request from the Department of Public Safety for \$3,635,000 of FY2004 federal fund expenditure authority for the Office of Emergency Management and the Homeland Security Program. The motion carried on a roll call vote (13-4-1). VOTING AYE: Dennert, Bartling, Duxbury, Burg, Craddock, Earley, Kleven, Smidt, Williamson, Sutton (Duane), Adelstein, Jaspers, Putnam. VOTING NAY: Greenfield, Klaudt, Napoli, Apa. EXCUSED: Glenski.

Representative Cradduck asked that the committee be provided with a breakdown of the federal funds coming into the state for homeland security and emergency preparedness and a list of which departments received these funds and for what purpose. Mr. Holwegner stated that LRC staff could gather that information for the committee.

Board of Regents--\$1,975,000

Ms. Mary Ellen Garrett, S.D. Board of Regents, testified that the office is requesting an additional \$500,000 in FY2004 federal fund expenditure authority and \$1,475,000 in FY2004 other fund expenditure authority.

Federal fund expenditure authority in the amount of \$496,750 will be utilized for the Congressionally-Directed Grant for SLN Library Network System upgrade, Ms. Garrett testified.

Other fund expenditure authority in the amount of \$1,475,000 will be utilized for the following: \$397,000 HEFF authority to cover the additional bond issued by the S.D. Building Authority for the Lee Medicine Center replacement, SDSM&T Library remodel, SDSM&T Mineral Industries Building air conditioning project, and SDSM&T primary electrical distribution upgrade; \$78,000 HEFF authority for increased insurance costs billed to the Regents from the S.D. Building Authority; and \$1,000,000 for the SD Library Network upgrade project. Ms. Garrett noted that the \$1,000,000 other funds for the Library Network upgrade project are derived from user fees.

A motion was made by Representative Smidt, seconded by Senator Kleven, that the committee approve the request from the S.D. Board of Regents for \$500,000 of FY2004 federal fund expenditure authority and \$1,475,000 of FY2004 other fund expenditure authority. The motion carried on a roll call vote (13-3-2). VOTING AYE: Dennert, Bartling, Duxbury, Burg, Cradduck, Earley, Kleven, Smidt, Williamson, Sutton (Duane), Jaspers, Apa, Putnam. VOTING NAY: Greenfield, Klaudt, Napoli. EXCUSED: Glenski, Adelstein.

Status of Office Space in Sioux Falls

Mr. Paul Kinsman, Commissioner, Bureau of Administration, informed the committee that the Bureau of Administration has entered into a lease agreement in Sioux Falls for office space for the Department of Health. The office space is located at 1200 NW Avenue. Mr. Kinsman noted that the bureau examined several potential spaces and determined that this location and facility best fit the needs of the Department of Health. The current lease agreement was \$12.25 per square foot and the new lease agreement is \$11 per square foot. The landlord agreed to do some remodeling of the building for the Department of Health. The move will take place in February 2004. The contract is a standard five-year lease contract, with a 60-day cancellation clause. If the bureau exercises its cancellation option before the five-year term of the lease, it will be responsible for a proportionate share of the remodeling costs.

The remodel costs total just over \$100,000.

Representative Burg asked if this lease was put out for bid. Mr. Kinsman replied that office space leasing is not something that fits well with the bid process because of location concerns. He added that they examined several different properties with different companies before the final selection.

Senator Dennert asked if more square footage is being rented in the new space. Mr. Kinsman responded affirmatively.

Senator Duxbury asked about the cost of the new lease compared to the cost of the old lease. Mr. Kinsman stated that he would provide that information to the committee. He noted that the new lease does include that the Department of Health is responsible for snow removal at the facility.

Status of Governor's Residence Project

Mr. Holwegner presented the committee with a list of the members serving on the Statewide Residence Committee (**Document #3**).

Representative Smidt and Representative Klaudt gave summaries of the Bureau of Administration report to the Executive Board and the Joint Government Operations and Audit Committee regarding the Governor's residence project. Representative Smidt stated that Mr. Kinsman had presented the Executive Board with a chronological summary of the mansion project, and noted that this summary will be included in the next issue of the *LRC Update*. He added that most questions from the Executive Board centered around the authority needed to proceed with the Governor's residence project without input from the Legislature.

Representative Klaudt reported that the Government Operations and Audit Committee expressed concerns about the maintenance and repair of the residence once it is built and was told that the foundation will be looking at establishing private funding for the maintenance and repair needs. Representative Klaudt noted that the Operations and Audit Committee was surprised at the broad power given by the Legislature in SDCL 5-15-1.1 to the Capitol Complex Restoration and Beautification Commission. He stated his belief that the Legislature will eventually be asked for funding for maintenance and repair of the residence.

Representative Williamson noted that the Executive Board has requested a list of contributors. Senator Apa suggested that along with the list of contributors, the amount of contribution should also be included. Mr. Kinsman noted that the Executive Board has not received this list from the Bureau of Administration because contributions are being made to the South Dakota Community Foundation, a non-profit group.

Mr. Kinsman testified that the second section of the current residence was moved Friday, November 28. The final section is to be moved sometime next week. Construction of the new residence is set to begin next spring. It has always been the intent of the Governor and the Bureau of Administration to have some kind of fund raiser to allow the general public to contribute to the residence project if they so desire. It is also intended to establish a private endowment fund to handle the maintenance and repair needs of the facility.

In response to committee questions, Mr. Kinsman said that the process for the Governor's Residence Project was fashioned after the Solberg Hall project at SDSU.

Representative Burg commented that he felt the Legislature should have been involved in the final decision on renovation of the current residence or construction of a new residence. He asked how the residence committee was selected. Mr. Kinsman replied that this was comprised of people who had ties to the mansion (former first ladies) and a cross section of individuals in South Dakota.

Senator Earley asked if the architect was chosen by competitive bid. Mr. Kinsman replied that letters were sent to architects across the state asking them submit a proposal, at no cost, of their concept or vision of the Governor's residence. The final design was chosen by the Capitol Complex Restoration and Beautification Commission.

In response to committee questions, Mr. Kinsman indicated that the Capitol Complex Restoration and Beautification Commission leased the space for the Governor's residence to the Pierre Economic Development Corporation (PEDCO). Mr. Kinsman stated that PEDCO is now in charge of this project.

Payments to contractors will be made through PEDCO from money collected by the South Dakota Community Foundation for the project. Once the project is complete, ownership will be transferred to the state from PEDCO.

Senator Duxbury commented that the Legislature has been criticized for not maintaining the mansion, and he stated that previous Governors had not recommended enhanced funding for maintenance and repair.

Senator Napoli commented that he feels the Governor's residence project is a great deal; he just wished that the Legislature could have been kept more informed as the process unfolded.

Senator Apa asked if the meetings of the statewide residence committee were open to the public. Mr. Kinsman replied that this group was an ad hoc group that was formed, it was never appointed, so he did not think the meetings were open to the public; however, he did not feel that anybody was kept out of the meetings if they wished to attend.

It was moved by Senator Sutton, seconded by Representative Klaudt, that the meeting adjourn. The motion carried on a voice vote.

Co-chair Putnam adjourned the meeting at 12:13 p.m.

